



# Tennessee Housing JOURNAL

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## THDA Celebrates

## 75,000 Home Loan

## THDA Assumes Contract Administration Duties

There is a new division at THDA – Section 8 Contract Administration. For the past 20-25 years contract administration has been controlled by the U. S. Department of Housing and Urban Development (HUD), but on August 9 of this year, the torch was passed to THDA.

As a result of federal downsizing, on May 2, 1999, HUD issued requests for proposals regarding the contract administration for the Project-Based Section 8 Housing Assistance Payments (HAP) contracts. THDA submitted a response on August 25 of last year and, per HUD's request, provided additional information the following December. Almost a year later, THDA sprouts a new branch.

THDA has an obligation, as contract administrator, to safeguard the interest of property owners tenants, the federal government and taxpayers. The duties of the program fall into two categories-programmatic and administrative. The programmatic portion of the duties will include correctly calculating and paying Section 8 subsidies and enforcing the owners' obligation to provide safe and affordable housing

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Pictured above from left to right are Macy Brewster, Monica Brewster and Mathew Brewster. Owners of the Home bought with the 75,000 THDA Home Mortgage Loan.

Since the inception of the Tennessee Housing Development Agency (THDA) in 1973, 75,000 Home Mortgage Loans have been made to the very low, low and moderate-income individuals across the state of Tennessee.

Mathew, Monica and 11 month old Macy Brewster are the proud recipients of the 75,000 THDA home loan made by Curtis Mortgage, a long time THDA Knoxville area mortgage lender and THDA program participant. Mathew Brewster is currently employed at Rockford Manufacturing and has been with the company for over six years, while Monica, in addition to being a fulltime Mom, is working on a bachelors degree in Early Childhood Education at the University of Tennessee.

"We were driving around looking at houses that were for sale when we found this house, it was the right house and the right location," said Mathew Brewster. "Being able to get a THDA loan made the payments more affordable and helped us to realize our dream of owning a home earlier than we had expected."

David Hayes, Chairman of THDA Board and newly elected Vice-Chairman for the National Council of State Housing Board (NCSHB) recognized the dignitaries in attendance and introduced the Brewster family presenting a beautifully framed photo and a gift certificate at a press conference on Tuesday, October 3 in the front yard of the Brewster's home.

## News Brief

### THDA Well Represented on a National Level

Board Chairman David Hayes was elected to Vice-Chairman and Board Member Jeff Reynolds was elected to the board to the NCSHB in September.

# The Grants Forum at THDA

## Crossville Housing Authority Finds Relief with Grants



*The above photo is of the first house ever purchased and rehabilitated by the Crossville Housing Authority in 1994*

**J**ust take a close look at what a difference initiative, imagination, determination and working together can make in a community.

“In 1993, we had people with Section 8 Certificates and Vouchers but no available units to put them in,” said Don Alexander, Executive Director of the Crossville Housing Authority. “So in 1994, we began searching for ways to increase the low income housing stock in our area. We applied for and received a grant from THDA for \$500,000 to purchase and rehabilitate fourteen units in Crossville. These units not only provided new rental opportunities for low income families, but also improved the appearance of the community” said Alexander. This program was such a success, CHA applied for another \$409,500 grant from THDA to purchase and rehabilitate eleven more units. Some of the units were not worth saving, so CHI simply pushed them down and started from scratch. With the grant funds, \$100,000 in borrowed funds and \$10,000 from the City, these units were rehabilitated and brought up to code.

Rhea County (adjoining Cumberland Co.) seemed the next place to try. They applied for and received \$318,818 from THDA to construct eleven single-family dwellings for very low-income residents. Proceeds from tax credits for \$208,882 and a Federal Home Loan Bank Board loan for \$300,000 finished the funding for Rhea County Development.

During the next year, the CHA starting search

for available land, repossessed homes, and buy-out opportunities from landlords. “The fair market rents in this area are sometimes so low that it makes it hard for a landlord to maintain a unit up to code and still rent them at rents affordable to low income people” said Alexander.

In 1999, CHA partnered with the Rockwood Housing Authority to build eleven units of elderly housing. With a grant from THDA and borrowed funds from Home Loan Bank, Russell Park Apartments I has just been completed.

A second phase for 25 units in the same development was awarded tax credits and is about 90% complete at this time. An application for tax credits was also submitted for the Crossville area and 24 units of housing for the elderly are well underway. This development is about 50% complete.

CHA and THDA share a common goal on a smaller scale, but with the same drive and determination to provide low-income families with affordable housing. “It’s through funding from THDA and other federal funding that our programs have been able to serve our community and the strength to reach out to other surrounding communities,” stated Alexander.

The CHA doesn’t stop with providing rental units for its residents. As a part of their Homeownership Program, there are programs for educational training, employment skills, budget and credit counseling, money management and homeownership education. A resident can also receive financial assistance with down payments through local federal bank programs.

“We have made great strides in continuing our mission to provide safe and sanitary housing that is affordable and to promote economic well-being for our clients by providing stable housing without discrimination,” said Jim Young, Family self-sufficiency Coordinator.

If you or someone you know needs housing in the Cumberland County area, contact Crossville Housing Authority at 931-484-299.

# The Grants Forum at THDA



*Pictured above is one of the newest units acquired by Genesis House through a grant from Tennessee Housing Development Agency.*

## Genesis House Offer Relief for Domestic Violence Victims

co-written by Craig Stevens

**G**enesis House Incorporated is located in Cookeville and is one of our more successful Community Housing Development Organizations (CHDO), which is funded out of the 15% that Housing and Urban Development (HUD) requires THDA to set aside for CHDO operations

THDA has been there from the outset to fund the structures that provide a safe and uplifting environment where a new foundation is formed allowing people to move forward through the stages of recovery, taking the time to heal, learn, and grow toward a safer, and more peaceful life. The brick façade apartment homes, acquired through a grant from the THDA HOME program, are spacious, well designed, and impeccably maintained. They provide an expansive, nurturing, transitional housing experience for program participants with low incomes. The lower than market rental rates at Genesis House provide a safe environment where a person can receive essential support services as they recover, both emotionally and financially.

When confronted with less appealing choices for housing in higher crime areas where neighborhoods are blighted with drug trafficking, often women make the decision to return to the bad environments that they had recently escaped from. They choose the familiarity of their former space with the deadly yet seductive mantra of “maybe things will different this time.” This is a hard pattern to break without proper, safe housing, counseling, and compassionate support services.

“Many of the families here have been beaten down into thinking that they do not deserve nice things in this world,” said Janell Clark, Executive Director of Genesis House. “Part of our care is in providing an uplifting envi-

ronment. It is an integral component of what we do here. THDA has helped us provide a place where people can thrive.” “I was impressed with the quality and roominess of these units. They were more like townhouses than apartments” said THDA’s Vangela Gooch after completing a monitoring visit at Genesis House. “The residents I met showed a great deal of pride in their surroundings,”

There are no time constraints on a stay at Genesis House. Support services involve intensive job training and job search assistance, along with financial management courses. Lower than market rental rates allow residents the opportunity to save money toward the goal of becoming fully self-sufficient homeowners.

Although Genesis House is primarily serving as a healing place for victims of domestic violence and sexual assault, if an apartment becomes available and there is no one ready to move into the transitional stage of the program, the available apartment is offered to the Section 8 Rental Assistance Office.

“We do have some successes. One of our people just became a homeowner through Habitat for Humanity,” said the Executive Director of Genesis House. “Drew (not her real name) left home five times before she realized that it wasn’t a home. She has been through each phase of our program from our emergency shelter into our transitional housing, and now she is a full-fledged homeowner. We are elated.”

If you need more information, please contact Genesis House toll-free at 800-707-5197.



# ***STRAP Program Impact Increases***

**I**n the STRAP program (State of Tennessee Rental Assistance Program), THDA's Division of Section 8 Rental Assistance partners with the Department of Mental Retardation Services (DMRS) to conduct regular inspections of rental housing occupied by developmentally disabled persons across the state.

As a result of a federal mandate, through the STRAP program, DMRS offers a rental subsidy to all developmentally disabled persons who will reside in an independent living situation or group home after being discharged from one of Tennessee's four regional developmental centers. All STRAP funding originates from the state; no funds are received from federal sources.

To assist these individuals in locating and leasing suitable rental housing, DMRS also contracts with over 60 local community service providers across the state.

In 1996, DMRS initiated a contract with THDA to conduct an initial and annual inspection, of each STRAP-subsidized unit in a manner similar to the Section 8 inspection, to insure that minimum quality housing standards are met and maintained. Since 1996, the program has increased from four initial STRAP homes to over 400 homes subsidized and inspected each year across the state. Don Harris, the Director of THDA's Division of Section 8 Rental Assistance, states "the quality of the STRAP units we inspect are excellent; it is evident that finding the best possible housing for the client is a high priority for DMRS and the local service providers."

The STRAP program now has over 700 tenants receiving STRAP rental assistance making it comparable in size to a small housing authority, with the exception of the units being spread across the state. Currently, THDA has a full-time staff member handling most of the administrative duties and inspections requirements in the contract. DMRS does expect the program to continue to grow significantly during the next fiscal year.

DMRS is continuously seeking new landlords and property owners who are willing to provide quality rental housing across the state. If you are interested in becoming a STRAP landlord or would like more information on the STRAP program, please contact Brian Dion at (615) 532-5756.

The STRAP program is a great example of how two state agencies have partnered their resources to provide a needed service for the citizens of Tennessee.

**75,000**

**HOME LOAN**

(from page 1)



THDA's mission is to be the lead state agency providing sound and affordable housing for people who need help. The Homeownership Program assists families earning in the moderate to very low-income range buy homes by offering a lower than market mortgage rate. Currently our mortgage rate is 7.3 percent. THDA has printed a brochure series to assist first-time homebuyers and distributes it through realty and lending offices and upon request.

THDA uses local lenders to originate its mortgages. Real estate professionals and buyers are encouraged to contact a lender for specific information. THDA maintains a toll-free telephone number with an answering machine. Callers are requested to leave a daytime telephone number, a name, and the question they want answered. The number is 1-800-228-THDA.

"We depend on the industry and the media to let families know of the mortgage programs that we offer," said Janice Myrick Executive Director at THDA. "We are proud of the services that we can provide and appreciate Congress for making the tax-exempt mortgage revenue bond programs available. Additionally, THDA administers grant programs, Low-income Housing Tax Credits, set-asides for multifamily development, and rental assistance."

# Contract Administration

(from page 1)

pay property owners timely and accurately, submit required documentation accurately and timely to HUD, and comply with both current and future amended HUD regulations. HUD Nashville and HUD Knoxville will provide contract oversight and are working very closely with staff to ensure a smooth transition of responsibilities from HUD to THDA.

Creating a new division means establishing policies and procedures, developing a work plan, and establishing goals that will be the driving force for the division. For THDA, Contract Administration simply furthers our mission "To be the lead state agency promoting sound and affordable

housing for people who need help." It also means new positions to be filled. Kathy Whalen, the Director of Section 8 Contract Administration, is currently staffing up for the workload that is quickly approaching. Of the 31 positions to be filled, currently on board are: John Pointer, Assistant Director; Cheryl Reynolds, Field Operations Coordinator; Cheryl Jett, Administrative Coordinator; Linda Schmidt, Contract Renewal Specialist; Liz Harvey, TRACS Specialist; Six Project Managers – Helen Bird, Lewis Bridges, Gerry Cummings, Linda Pieratt, Paige Sharpe, and Jasmine Singletary; and two Administrative Assistants Linda Kellogg and Etoyle Goodner. There are

other positions to be filled in the future for TRACS Specialist, Quality Control Officer, and Reports Coordinator. This will also create a new position in the Fiscal Administration Division for an Assistant HAP Accountant. Due to the division's rapid growth, the division moved its operation from Parkway Towers in Nashville to the 15<sup>th</sup> Floor of the Andrew Jackson Building on the corner of Deaderick Street and 5<sup>th</sup> Avenue. The phone number is (615) 741-9682, and the mailing address will remain the same as THDA's current address of 404 James Robertson Parkway, Suite 1114, Nashville, TN 37243-0900.

## Mental Illness: THDA Surveys Housing Needs

Tennessee Housing Development Agency, by Senate Joint Resolution 279, was directed to assess the housing needs of persons with mental illness in Tennessee. In conjunction with designated advisors to determine a plan to improve the suitability, safety and affordability of housing for such persons.

THDA coordinated this study with the assistance of many other agencies, led by those that administer to persons with mental illness, A. I. M., Inc., Housing Committee of the TN Mental Health Planning Council, TN Association of Mental Health Organizations, TN Commission on Aging, TN Department of Health, TN Department of Corrections, TN Department of Human Services, TN Department of Mental Health/Mental Retardation (now known as MHDD), TN Mental Health Consumers Association, TN Department of Children's Services, TN Coalition for Homeless, National Alliance for the Mentally Ill and medical facilities across the state.

THDA conducted two different survey projects to obtain the information about both the needs of people with severe and persistent mental illness and the housing availability. Data was also collected from other segments of the mentally ill population; such as young adults in state custody and inmates at penal institutions; in order to form a comprehensive view of the extent of the housing problem throughout the state. Based on the results of these surveys and other data collected, the following summation was made.

- Approximately 15 percent of the severely and persistently mentally ill are inappropriately housed.
- The primary barrier to appropriate housing was insufficient income.
- Independent housing was found to be most appropriate for the majority of the consumers surveyed.

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## Community Development 2000 Institute

More than 300 community development professionals recently gathered in Knoxville for the opportunity to network and learn from national experts and local practitioners. The Community Development 2000 Institute, which was a joint effort between the Tennessee and Kentucky HUD offices, as well as THDA, Fannie Mae,

TNDMHDD, the city of Knoxville and the Development Corporation of Knox County, offered more than 35 sessions over the course of four days. As a result of the scope of the sessions, bankers and builders, consultants and construction engineers all were able to gather information that deemed relevant to their role in community development.

## **MENTAL ILLNESS**

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- Young adults (18-24) and women lack access to a considerable share of the licensed facilities.
- In smaller metropolitan areas these persons have to live a considerable distance from their families.
- Many persons waiting to be released from Regional Mental Health Institutes are not released when they are ready, due to the lack of appropriate licensed facilities.

"Everyday across Tennessee, in cities and towns, I have seen the impact of insufficient housing and support serves for those diagnosed with a mental illness," said Marie Williams Director of Housing Planning and Development for the Department of Mental Health and Developmentally Disabled. "It is clear that unnecessary stays in hospitals and

mental health institutes in states are due to the lack of supportive community housing options, which could be more effectively and efficiently provided through the community if developed and coordinated." To create an effective and sustaining positive change in this situation, MHDD is proposing the Creating Housing Institute (CHI), said Williams.

It is more apparent than ever, the changes that have come about over the past years in the area of mental illness such as the policy to deinstitutionalize, changes in mental health services, cost issues, attitudes of the society towards persons with mental health treatment and the impact of pharmaceuticals, we as a state are falling short of the demand.

Due to the state's findings the Tennessee Mental Health Planning

Council has formed a committee, which is dedicated to evaluating and implementing the recommendations made by the study.

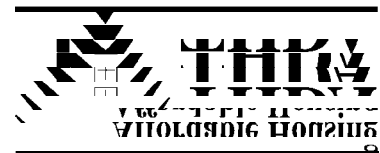
If you are interested in reading more, the "Report on the Housing Needs of Persons with Mental Illness," can be accessed the report on the Internet at [www.state.tn.us/thda](http://www.state.tn.us/thda) under the "Research" tab.

**Find it on the  
web page:  
[www.state.tn.us/  
thada](http://www.state.tn.us/thda)**



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The Tennessee Housing Development Agency is committed to principles of equal opportunity, equal access, and affirmative action. Contact the THDA EEO/AA, ADA Coordinator (615/741-1106; 615/532-2894, TDD; 1-800-228-THDA,) for further information.



**H. David Hayes, Chairman  
Janice L. Myrick, Executive Director  
Toni S. Harris, Editor**

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